

24 September 1953

MEMORANDUM FOR: Mr. Houston

SUBJECT : Authorization of FI Projects

1. Attached is the memorandum to the DDCI, dated 19 September 1953, on the above subject. You have asked for my comments on this memorandum.

2. Paragraph 1 provides in the last sentence that the Chief, FI, would approve projects initially which involved less than \$25,000 and renewal authorities would be delegated to the Chief of Plans, FI. It would be my view that substantially similar considerations need be applied in the renewal which implies nonrenewal or termination as are involved in initiating a project. Consequently, the same level of authority should approve. Further, the granting of such an authority to the Chief of Plans, FI, seems to disturb slightly organizational concepts since that staff is only one of several staffs which normally coordinates on a FI project. However, if this is deemed necessary and desirable, I do believe that by virtue of actual procedure within FI, the Chief of Plans is better equipped than other staff chiefs to exercise this authority.

3. It is believed that paragraph 3 leaves some doubt as to whether all subsidy or proprietary provisions should go to the PRC. The sentence as constructed simply provides that those types of projects should be processed in accordance with Section 9.4. I believe the intent was that such projects should go to the PRC regardless of the proposed budgets. In clarifying this point, it is believed that further wording should be utilized indicating that any projects of an unusual nature regardless of expenditure level should be brought to the PRC. A clear-cut responsibility should be placed on the Chief, FI, to insure that all unique or special projects be brought forward to the PRC. It would seem desirable that the actual delegation which would incorporate these principles might also reflect the authorities over the Chief, FI, to transfer funds from one area allocation to another. This was recently the subject of a memorandum of understanding. It is believed that there might be some benefit to having a clear-cut regulation encompassing all of these points since experience has shown that special authorizations of this type tend to become lost and cause confusion to various offices and particularly to Finance Division.

4. The general plan for approval of FI projects in the attached memorandum seems very sound. We might well have included in the memorandum itself the actual count of projects and categorize them according to expenditure levels.

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EO/DD/A:JSW

Approved For Release 2003/09/11 : CIA-RDP78-04718A000100170134-6
1 Att - listed in memo

JOHN S. WARNER

Executive Officer
Office of the DD/A

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